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OFFICE OF TRANSPORTATION
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

January 6, 1986

GRAIN TRANSPORTATION SITUATION

MKT Wins Approval For Tender Offer. The Missouri-Kansas-Texas Railroad Company (MKT) received Interstate Commerce Commission (ICC) approval to make a new tender offer for 274,540 income certificates. The railroad is financing the offer through the Missouri Pacific Railroad, which plans to buy MKT from Katy Industries, Inc. Missouri Pacific will lend MKT $9.6 million to cover the purchase price and brokers' fees. The ICC set a stipulation that if the purchase deal falls through, MKT must cancel the tender offer unless it obtains further agency approval.

World Grain Stocks. As we begin 1986, the world's supply of grain is at a record high level. The record inventory, of which a fourth is stored in the U.S., has helped to depress grain prices. The 1985-86 world supply is estimated at about 1.9 billion tons. World consumption of grain for 1985-86 is expected to reach 1.6 billion tons.

Chinese Expect Lower Grain Harvest. China's grain harvest was down about 25 million metric tons to around 380 million metric tons in the year just ending. The Chinese expect to step up production to 450 million metric tons by 1990.

Louisiana Port User Charges. The Plaquemine Port's efforts to defray costs of services it provides to shipping by charging specific fees was upheld by an administrative law judge. The New Orleans Steamship Association had said that the harbor fees violated the U.S. Constitution. Jude Ingolia said the harbor fees were "not a toll charge in controvention of the United States Constitution," but rather fees "to provide for policing of the waterway so as to insure the safety and facility of movement of vessels and cargo using it." The Plaquemine Port District is located near the mouth of the Mississippi River and includes New Orleans.

Seaway Ends Season. The St. Lawrence Seaway closed for the winter late Monday, December 30, 1985, following the transit of the last few remaining vessels in the system. The 1985 shipping season was extended beyond the traditional mid-December closing to handle a backlog of traffic, due to the mid-October collapse of a wall of a lock in the Welland Canal that halted movement for 24 days. Shipping was further delayed for nearly a week after an Indian freighter rammed a bridge near Valleyfield on November 29.

River Situation. At Locks & Dam 26, during the previous 24 hours, 4 tows with 53 barges have passed upbound and 9 tows with 70 barges downbound. This morning there are no tows waiting upbound or downbound. At the Gulf on Thursday, 597 barges were waiting to unload grains, oilseeds, and products. The total of empty barges on hand was 897. At the Gulf in the New Orleans/ Baton Rouge area last Friday, 7 vessels were reported loading grain, while 7 waited. In the Columbia River Basin, also on Friday, 3 vessels were at berth being loaded while 4 waited.

A108.12:

CORN FOR GRAIN

STATE	AREA HARVESTED		YIELD		PRODUCTION		
	1984	IND 1985	1984	IND 1985	1983	1984	IND 1985
	1,000 ACRES		BUSHELS		1,000 BUSHELS		
ALA	385	340	65.0	68.0	17,995	25,025	23,120
ARIZ 1/	26	22	140.0	110.0	2,312	3,640	2,420
ARK 1/	49	65	95.0	91.0	2,640	4,655	5,915
CALIF	375	340	136.0	135.0	33,280	51,000	45,900
COLO	680	725	134.0	140.0	74,420	91,120	101,500
CONN 2/							
DEL	150	175	110.0	105.0	10,875	16,500	18,375
FLA 1/	210	200	65.0	65.0	8,174	13,650	13,000
GA	985	1,000	82.0	80.0	55,125	80,770	80,000
IDAHO 1/	75	80	118.0	120.0	7,735	8,850	9,600
ILL	10,940	11,350	114.0	134.0	624,100	1,247,160	1,520,900
IND	6,030	6,100	117.0	124.0	340,910	705,510	756,400
IOWA	12,900	13,350	112.0	125.0	743,850	1,444,800	1,668,750
KANS	870	1,050	125.0	130.0	85,560	108,750	136,500
KY	1,460	1,560	100.0	102.0	46,080	146,000	159,120
LA 1/	82	195	115.0	120.0	5,040	9,430	23,400
MAINE 2/							
MD	590	650	118.0	105.0	37,060	69,620	68,250
MASS 2/							
MICH	2,620	2,700	84.0	102.0	165,600	220,080	275,400
MINN	6,440	6,500	107.0	115.0	367,080	689,080	747,500
MISS 1/	70	120	70.0	68.0	3,520	4,900	8,160
MO	1,930	2,430	80.0	108.0	72,930	154,400	262,440
MONT 1/	15	14	92.0	105.0	1,365	1,380	1,470
NEBR	6,950	7,250	115.0	126.0	470,450	799,250	913,500
N H 2/							
N J 1/	109	114	107.0	101.0	6,120	11,663	11,514
N MEX 1/	59	65	150.0	160.0	7,000	8,850	10,400
N Y	660	750	93.0	92.0	54,000	61,380	69,000
N C	1,620	1,650	90.0	77.0	76,800	145,800	127,050
N DAK	630	650	66.0	65.0	29,145	41,580	42,250
OHIO	3,900	4,000	118.0	128.0	224,000	460,200	512,000
OKLA 1/	50	55	105.0	112.0	4,144	5,250	6,160
OREG 1/	42	37	159.0	172.0	5,346	6,678	6,364
PA	1,350	1,370	110.0	107.0	72,450	148,500	146,590
R I 2/							
S C	447	520	78.0	86.0	17,050	34,866	44,720
S DAK	2,780	2,860	67.0	77.0	104,410	186,260	220,220
TENN	690	790	95.0	102.0	23,040	65,550	80,580
TEX	1,550	1,450	93.0	100.0	104,760	144,150	145,000
UTAH 1/	16	17	118.0	122.0	1,540	1,888	2,074
VT 2/							
VA	540	530	104.0	94.0	16,320	56,160	49,820
WASH 1/	150	140	155.0	160.0	17,600	23,250	22,400
W VA 1/	81	81	100.0	102.0	4,680	8,100	8,262
WIS	3,250	3,400	106.0	107.0	223,100	344,500	363,800
WYO 1/	60	61	100.0	110.0	7,072	6,000	6,710
U S	71,816	74,756	106.6	116.6	4,174,678	7,656,195	8,716,534

1/ ESTIMATES FOR CURRENT YEAR CARRIED FORWARD FROM EARLIER FORECAST.
2/ ALL ACREAGE HARVESTED IS FOR SILAGE.

OFFICE OF TRANSPORTATION

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

January 6, 1986

GRAIN TRANSPORTATION

WEEK ENDED	1985	COMPARABLE WEEK 1984
RAIL CARLOADINGS		
Dec 7	23,997	28,861
Dec 14	25,979	27,743
Dec 21	26,192	28,184
Dec 28	N/A	N/A
Calendar Year to Date	1,157,864	1,400,214
BARGE LOADINGS (1,000 Bushels)		
Dec 8	32,734	42,883
Dec 15	30,160	36,340
Dec 22	24,734	30,142
Dec 29	18,570	17,831
Calendar Year to Date	1,674,004	1,964,029
INSPECTIONS FOR EXPORT (1,000 Bushels)		
Dec 5	92,095	112,582
Dec 12	78,964	109,488
Dec 19	87,104	125,586
Dec 26	63,252	91,289
Calendar Year to Date	3,378,566	4,269,380

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AVERAGE GRAIN PRICES
($ Per Bushel)

	WHEAT	CORN 1/	SOYBEANS 2/	WHEAT	CORN 1/	SOYBEANS 2/
Nov 22	3.36	2.50	4.87	3.85	2.79	6.14
Nov 29	3.27	2.48	4.90	3.85	2.72	6.05
Dec 6	3.38	2.49	5.03	3.81	2.70	6.08
Dec 13	3.42	2.48	5.16	3.74	2.70	5.98
Dec 20	3.43	2.50	5.28	3.73	2.71	5.97

(Wheat-#1 HRW - ORD., Kansas City; Corn #2 Yellow, Chicago; SB-#1 Yellow, Chicago)

1/ Bought to arrive 15 days.
2/ Bought to arrive 30 days.

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MAJOR EXPORT SALES*
(1,000 Metric Tons)

WEEK ENDED		1985/86			1984/85		
		WHEAT	CORN	SOYBEANS	WHEAT	CORN	SOYBEANS
Nov	28	3,964	8,634	4,724	8,124	12,796	4,730
Dec	5	3,582	8,489	4,933	7,664	12,140	4,653
Dec	12	3,500	8,023	4,999	7,234	11,283	4,463
Dec	19	4,198	8,838	5,010	6,768	9,954	4,019
Dec	26	4,152	8,421	4,645	6,396	9,144	3,635

*Unshipped Balances-Current & Next Marketing Year

GULF COAST OCEAN GRAIN VESSELS

		IN PORT	LOADED 7 DAYS	DUE NEXT 10 DAYS	IN PORT	LOADED 7 DAYS	DUE NEXT 10 DAYS
Dec	6	41	50	72	52	54	95
Dec	13	39	41	71	58	63	101
Dec	20	37	51	60	14	52	N/A
Dec	27	31	44	61	49	57	43
Jan	3	38	40	53	74	53	56

BOX AND COVERED HOPPER CAR OWNERSHIP
(1,000 Cars)

		RAILROADS 40'ND BOX	RAILROADS COVERED HOPPER**	PRIVATE COVERED HOPPER**	RAILROADS 40'ND BOX	RAILROADS COVERED HOPPER**	PRIVATE COVERED HOPPER**
Aug	1	5.2	123.8	115.3	8.6	121.9	109.6
Sep	1	5.1	123.3	115.2	8.1	121.5	111.2
Oct	1	5.0	123.2	115.5	7.9	122.4	112.2
Nov	1	4.6	123.4	115.6	7.5	122.3	113.8
Dec	1	4.4	123.8	115.5	7.2	123.3	114.2

**Jumbo Covered Hoppers Only

OCEAN FREIGHT RATES*
(Dollars/Ton - Basis Vessel Size/Ton)

U.S. Loading Port	Destination	Estimated Freight Rates	Dates of Movement
Gulf	Japan	$17.75-$12.50(30M-52M)	Jan-Feb
Gulf	Rotterdam/Antwerp Hamburg	$8.65-$7.75(55M-78M)	January
Pacific Northwest	Japan	$9.00-$8.35(52M)	January
Pacific Northwest	Taiwan	$13.75(27M)	January
Gulf	Morocco	$12.00-$10.40(20M)	January
Gulf	Algeria	$19.50(15M)	January
Atlantic	Algeria	$19.80(15M)	January
Gulf	Taiwan	$14.25(53M)	January
Atlantic	Morocco	$8.90-$8.75(20M-30M)	January
Pacific Northwest	S. Korea	$8.50(50M)	January
Gulf	Portugal	$7.75(55M)	January

*These ocean fixtures are based on full ship charters.

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This report is prepared by Bill Dunton & Martha Bearer, Traffic Management Specialists, Domestic Division, Office of Transportation, 202/447-6793.

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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

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January 13, 1986

GRAIN TRANSPORTATION SITUATION

Seaway's Eisenhower Lock Set For Maintenance. A contract worth $2.2 million has been awarded for major concrete work to the chamber walls of the Eisenhower Lock located at Messena, New York. James L. Emery, Administrator of the St. Lawrence Seaway Development Corporation, said the contract is part of a preventive maintenance plan to ensure that the U.S. locks on the Seaway will not be the cause of future shutdowns. Work on the lock began January 2nd and is expected to continue until navigation resumes next shipping season, which is set for April 1. Also preliminary estimates from the Canadian St. Lawrence Seaway Authority indicate that traffic on the Welland Canal totaled about 42 million tons in 1985, a 22.5 percent decrease from 1984 and the lowest for the Canal since 1963. Traffic on the Montreal-Lake Ontario section, dropped to about 37 million tons; 21 percent less than 1984 and the lowest since 1964. The main reason given for the sharp drop was a 30 percent decline in grain shipments.

No Fee Increases For Illinois Port District. The Illinois International Port District (IIPD) has announced that wharfage and dockage charges for the 1986 season will be the same as last year. The IIPD has also contacted other Great Lakes port operators, and the International Association of Great Lakes Ports, which has 20 members, and urged them to similarly hold the line on port costs. The IIPD has also gone on record opposing any increase in toll fees on the St. Lawrence Seaway. The IIPD has said it will offer testimony at the upcoming hearing next month, in opposition to the Canadian toll increase on the Welland Canal.

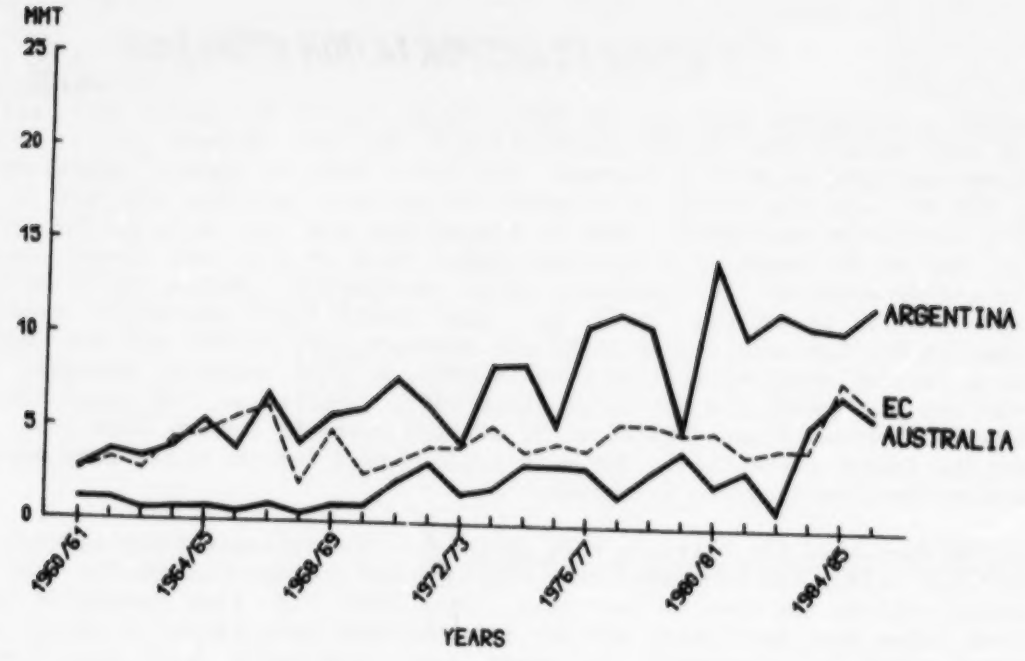
Seaborne Grain Trade. The movement of grain worldwide will exert downward pressure on ocean freight rates, according to Ocean Shipping Consultants. World seaborne grain trades will fall to 186.4 million metric tons in 1990 from an estimated 206.8 million metric tons in 1985, according to a United Kingdom-based consultant. The Third World will account for 47 percent of world grain demand by 1990.

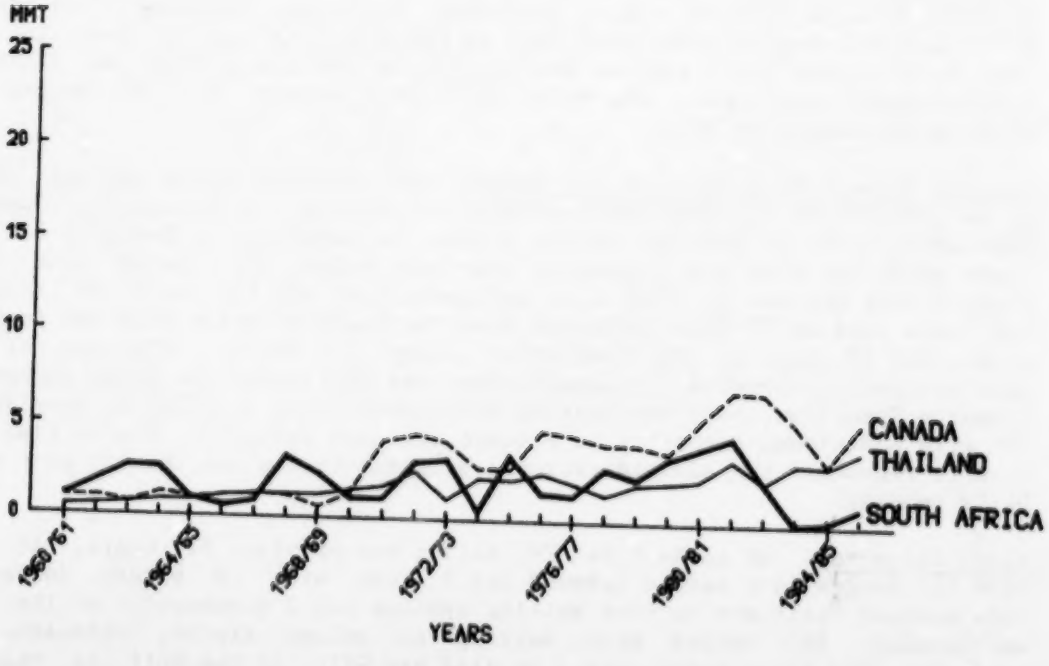
Hearing Scheduled on Reported ICC Sunset. The Administration has been called on to explain its yet unofficial proposal to abolish the Interstate Commerce Commission (ICC) at hearings before a House Subcommittee on February 6. News leaks about the President yet-to-be announced budget for fiscal year 1987, which starts October 1, 1986, have indicated that the ICC will be budgeted for "zero funding." This indicates that the Administration will ask Congress to abolish the Agency. Representative James J. Florio, Chairman of the Subcommittee on Commerce, Transportation, and Tourism of the House Energy and Commerce Committee, said the hearing would also focus on bills to provide the ICC with additional authority to protect railroad shippers. Florio finds it hard to reconcile the Administration's proposal to abolish the ICC with these bills pending.

River Situation. At Locks & Dam 26, during the previous 24 hours, 10 tows with 107 barges have passed upbound and 3 tows with 19 barges downbound. This morning there are no tows waiting upbound and 2 downbound. At the Gulf on Thursday, 893 barges were waiting to unload grains, oilseeds, and products. The total empty barges on hand was 921. At the Gulf in the New Orleans/Baton Rouge area last Friday, 6 vessels were reported loading grain, while 8 waited. In the Columbia River Basin, also on Friday, 5 vessels were at berth being loaded, while 10 waited.

A 108.12:

MAJOR COMPETITOR COARSE GRAIN EXPORTS





FAS - "Grains" December 1985

OFFICE OF TRANSPORTATION

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

January 13, 1986

GRAIN TRANSPORTATION

WEEK ENDED	1985/86	COMPARABLE WEEK 1984/85
RAIL CARLOADINGS		
Dec 14	25,979	27,743
Dec 21	26,192	28,184
Dec 28	17,482	16,974
Jan 4	N/A	N/A
Calendar Year to Date*	1,175,346	1,417,188
*1985 Calendar Year		
BARGE LOADINGS (1,000 Bushels)		
Dec 15	30,160	36,340
Dec 22	24,734	30,142
Dec 29	18,570	17,831
Jan 5	26,928	26,859
Calendar Year to Date	26,928	26,859
INSPECTIONS FOR EXPORT (1,000 Bushels)		
Dec 12	78,964	109,488
Dec 19	87,104	125,586
Dec 26	63,252	91,289
Jan 2	57,790	70,744
Calendar Year to Date	57,790	70,744

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AVERAGE GRAIN PRICES
($ Per Bushel)

	WHEAT	CORN 1/	SOYBEANS 2/	WHEAT	CORN 1/	SOYBEANS 2/
Nov 29	3.27	2.48	4.90	3.85	2.72	6.05
Dec 6	3.38	2.49	5.03	3.81	2.70	6.08
Dec 13	3.42	2.48	5.16	3.74	2.70	5.98
Dec 20	3.43	2.50	5.28	3.73	2.71	5.97
Dec 27	3.44	2.49	5.34	3.76	2.72	5.89

(Wheat-#1 HRW - ORD., Kansas City; Corn #2 Yellow, Chicago; SB-#1 Yellow, Chicago)

1/ Bought to arrive 15 days.
2/ Bought to arrive 30 days.

MAJOR EXPORT SALES*
(1,000 Metric Tons)

WEEK ENDED		1985/86			1984/85		
		WHEAT	CORN	SOYBEANS	WHEAT	CORN	SOYBEANS
Dec	5	3,582	8,489	4,933	7,664	12,140	4,653
Dec	12	3,500	8,023	4,999	7,234	11,283	4,463
Dec	19	4,198	8,838	5,010	6,768	9,954	4,019
Dec	26	4,152	8,421	4,645	6,396	9,144	3,635
Jan	2	3,918	8,148	4,483	6,080	9,388	3,608

*Unshipped Balances-Current & Next Marketing Year

GULF COAST OCEAN GRAIN VESSELS

		IN PORT	LOADED 7 DAYS	DUE NEXT 10 DAYS	IN PORT	LOADED 7 DAYS	DUE NEXT 10 DAYS
Dec	13	39	41	71	58	63	101
Dec	20	37	51	60	14	52	N/A
Dec	27	31	44	61	49	57	43
Jan	3	38	40	53	74	53	56
Jan	10	34	44	57	52	73	82

BOX AND COVERED HOPPER CAR OWNERSHIP
(1,000 Cars)

		RAILROADS		PRIVATE	RAILROADS		PRIVATE
		40' ND BOX	COVERED HOPPER**	COVERED HOPPER**	40' ND BOX	COVERED HOPPER**	COVERED HOPPER**
Sep	1	5.1	123.3	115.2	8.1	121.5	111.2
Oct	1	5.0	123.2	115.5	7.9	122.4	112.2
Nov	1	4.6	123.4	115.6	7.5	122.3	113.8
Dec	1	4.4	123.8	115.5	7.2	123.3	114.2
Jan	1	4.3	123.5	115.5	6.8	123.5	114.7

**Jumbo Covered Hoppers Only

OCEAN FREIGHT RATES*
(Dollars/Ton - Basis Vessel Size/Ton)

U.S. Loading Port	Destination	Estimated Freight Rates	Dates of Movement
Gulf	Japan	$17.75-$12.60(30M-52M)	Jan-Feb
Gulf	Rotterdam/Antwerp Hamburg	$9.00-$7.75(50M-60M)	January
Pacific Northwest	Japan	$9.00-$8.35(52M)	January
Pacific Northwest	Taiwan	$13.75(27M)	January
Gulf	Morocco	$12.00-$10.25(20M-30M)	January
Atlantic	Algeria	$19.80(15M)	January
Gulf	Mexico-East Coast	$6.75-$6.50(20M)	January
Atlantic	Morocco	$8.90-$8.75(20M-30M)	January
Pacific Northwest	S. Korea	$8.50(50M)	January

*These ocean fixtures are based on full ship charters.

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